

FM plays hare and tortoise

Steady Lowering Of Corporate Tax Rate, Swift Raise In Service Tax Rate

Mukesh Patel

Goods and service tax (GST) implementation from 2016, the abolition of wealth tax, elaborate action plan to counter black money, deferral of GAAR and the promise to lower corporate tax rate to 25% (though over a span of four years) are the five shining stars of the Budget 2015 of finance minister Arun Jaitley.



He also deserves compliments for his imaginative vision for the first ever announcement of social security and pension schemes in India including channelizing of unclaimed PF and PPF funds for the benefit of senior citizens. However, his claim for intellectual honesty needs to be taken with a pinch of salt. This is because while he

has preferred to be the tortoise in the slow and steady game of lowering the corporate tax rate

BHTA 2015

over a period of four years, he has jumped like a hare in raising the service tax rate from 12.36% to 14%, even before the introduction of the GST. The measures for stimulating the manufacturing sector are visible but highly inadequate.

Analysis yatra

Tax expert Mukesh Patel will take TOI's Budget Ho To Aisa flag across Gujarat. He will address a gathering at the AMA in Ahmedabad at 10.30 am on Sunday with Jay Narayan Vyas. From here he will go solo, visiting Vapi and Dahod on Monday, Anand and Gandhinagar on Tuesday, Jamnagar and Rajkot on Wednesday and Junagadh thereafter.

Phenomenal balancing act, pragmatic Budget

Bakul Dholakia

The formidable challenge before the finance minister was to strike



the right balance between acceleration in GDP growth, fiscal consolidation, the revival of investment cycle and thrust on economic reforms along with the focus on inclusive development. The Budget 2015 will be remembered for a long time for its phenomenal balancing act. While we may not find big bang reforms in this Budget,

we do find an emphatic statement of intent, a clear roadmap and several concrete measures to lay a strong foundation for a sustainable double-digit growth with an ambitious agenda for inclusive socio-economic development.

The FM has made a firm commitment that by the financial year 2017-18, the fiscal deficit will be brought down to 3% of the GDP with effective revenue deficit totally eliminated. Viewed in the medium-term perspective of an action-oriented government with a clear focus on economic reforms, these targets are certainly achievable.

Vision for consolidation, growth

Jay Narayan Vyas

Finance Minister Arun Jaitley's maiden full Budget is pragmatic. He has clearly avoided cosmetic declarations and has shown courage to say that fiscal deficit targets need to be reworked and spread over three years. The deferral of the fiscal deficit target



shows pragmatism in bringing additional investments for Infrastructure. Jaitley seems to believe in the theory of "infrastructure-led growth".

And so the finance minister has given the highest priority to infrastructure. Indeed, infrastructure is not only an employment-intensive sector but also promotes employment due to high growth.

Another much awaited development is the introduction of GST.